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Mr. Chairman and Members of the Committee:

Good afternoon Chairmen Leone and Tong, Ranking Members Linares and Alberts, and members of the Banking Committee. Thank you for this opportunity to testify on Proposed Bill 225, An Act Concerning Consumer Remedies Against Debt Buyers.

My name is Linda Strumpf and I am a debt collection attorney in New Canaan here today to represent the Connecticut Creditor Bar Association (CCBA) as a member of the Government Affairs Committee. The CCBA would like to voice our opposition to this bill as currently drafted.

(1) We oppose carving out an exception in the bill for debt buyers. All debt buyers operating in this State are licensed by the Department of Banking as consumer collection agencies effective October 1, 2013. The Department of Banking now regulates these entities, and the Department has defined them as consumer collection agencies.

The definition of creditors in the current law specifically excludes consumer collection agencies, presumably because they are already subject to scrutiny by the Department of Banking, and because they are not considered creditors. Now the consumer bar wishes to carve out an exception for debt buyers only, although they now must be licensed like all other consumer collection agencies. The bill also proposes that the exception be retroactive to October 1, 2013, which is the date when debt buyers were required to be licensed as consumer collection agencies.

Additionally, a private right of action exists for all consumers pursuant to the Federal Fair Debt Collections Practices Act (the FDCPA). Any additional cause of action is duplicative.

(2) We also oppose the amendment to change the law to a strict liability statute. The current law affords the consumer protection if he is harmed by the creditor's conduct. He may recover his actual damages, an additional \$1,000.00, plus his attorney's fees. This is in addition to any remedies the consumer has pursuant to the FDCPA, which is a strict liability statute.

The consumer bar now wants to double the strict liability damages imposed by the FDCPA. If consumers are harmed by any creditor's conduct, the FDCPA already imposes a strict liability standard which entitles the consumer to statutory damages, actual damages, as well as his attorney's fees. Accordingly, this legislation is not needed. It would over compensate and encourage additional litigation in our courts.

We certainly believe that consumers should be protected and do not condone any abusive or deceptive practices by any creditor, but consumers are already protected by federal law, state law as it is presently written, and now by the Department of Banking.

Thank you for your time and attention.

